

Press Release

International Product Support Company Senior Vice President Sentenced For The Illegal Purchase and Sale of Smuggled Ozone-Depleting Refrigerant Gas

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FOR IMMEDIATE RELEASE

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, Maureen O'Mara, Special Agent in Charge, U.S. Environmental Protection Agency (EPA), Criminal Investigation Division, Atlanta Area Office, and Alysa D. Erichs, Special Agent in Charge, U.S. Immigration and Customs Enforcement's Homeland Security Investigations (ICE-HSI), announced that defendant **Carlos A. Garcia**, 52, was sentenced to prison today in Miami for his role in the illegal receipt, purchase, and sale of ozone-depleting refrigerant gas that had been smuggled into the United States contrary to the Clean Air Act, in violation of Title 18, United States Code, Section 545.

The Honorable Cecilia Altonaga, U.S. District Court Judge, sentenced Garcia to a thirteen month term of imprisonment, followed by a two-year term of supervised release that includes four months of home confinement under electronic monitoring.

Garcia pled guilty in April 2012 to a charge of knowingly receiving, buying, selling and facilitating the transportation, concealment, and sale of approximately 13,600 kilograms of the ozone-depleting substance hydrochlorofluorocarbon-22 (HCFC-22). HCFC-22 is a widely used refrigerant for residential heat pump and air-conditioning systems. Garcia's employer, Mar-Cone Appliance Parts Co. (Marcone), was previously convicted and sentenced for their role in the illicit conduct and ordered to pay a \$500,000 criminal fine, a \$400,000 community service payment, and was ordered to forfeit to the United States \$190,534.70 in illegal proceeds.

Federal law prohibits dealing in merchandise that is imported contrary to law. The Federal Clean Air Act regulates air pollutants including ozone depleting substances such as HCFC-22. The Clean Air Act and its implementing regulations established a schedule to phase out the production and importation of ozone-depleting substances beginning in 2002, with a complete ban starting in 2030. To meet its obligations under an international treaty to reduce its consumption of ozone-depleting substances, the United States issued baseline allowances for the production and importation of HCFC-22 to individuals and companies. In order to legally import HCFC-22, one must hold an unexpended consumption allowance.

United States Attorney Wifredo A. Ferrer stated, "As the Court stated at the sentencing hearing, the regulatory program here is intended to protect us all from the harmful effects associated with depletion of the earth's ozone layer. By aggressively supporting the investigative agencies in their efforts to enforce federal laws that seek to protect our environment, we are both meeting our country's commitment to the international community and maintaining a level playing field for the many businesses and individuals who abide by the law."

"The defendant illegally bought and sold ozone depleting substances that harm both human health and the environment," said Maureen O'Mara, Special Agent-in-Charge of EPA's criminal enforcement program in Florida. "Today's sentence sends a crystal clear message-- if you put illegal profits ahead of the well being of the public, you will be prosecuted and pay a heavy price."

"The smuggling of goods contrary to law poses a significant threat to national security and public safety. And in this particular case, the illegal importation posed a global hazard to our environment," said Alysa Erichs, Special Agent in Charge of HSI in Miami. This case demonstrates HSI's partnership and aggressive approach with the U.S. Attorney's Office and EPA to protect the American public from inferior and unsafe products."

According to court records and proceedings, Garcia was the Senior Vice-President of Marcone's Heating and Cooling Division responsible for executing legal purchases and sales of refrigerant gas. Instead Garcia engaged in a pattern of conduct to purchase and sell black market HCFC-22. The investigation revealed that the defendant routinely arranged the purchase of HCFC-22 from importers who did not hold the required unexpended consumption allowances, totaling approximately 55,488 kilograms of restricted HCFC-22, with a fair market value of approximately \$639,458. The refrigerant gas was routinely distributed by Marcone throughout the United States.

This matter and others involving the smuggling and distribution of ozone-depleting substances are being investigated through a multi-agency initiative known as Operation Catch-22. Operation Catch-22 has, to date, included the successful conviction of nearly a dozen individuals and corporations at every level of the refrigerant gas smuggling and distribution chain. Mr. Ferrer commended the investigative efforts of the EPA, ICE-HSI, the Florida Department of Environmental Protection, Criminal Investigation Bureau, and the Miami-Dade Police Department. The case was prosecuted by Assistant U.S. Attorney Thomas A. Watts-FitzGerald and Special Assistant U.S. Attorney Jodi A. Mazer.